QUINN EMANUEL URQUHART &
 SULLIVAN, LLP
John B. Quinn (Bar No. 90378)
johnquinn@quinnemanuel.com
865 South Figueroa Street, 10th Floor
Los Angeles, California 90017-2543
Telephone: (213) 443-3000
Facsimile: (213) 443-3100

Morgan W. Tovey (Bar No. 136242)
morgantovey@quinnemanuel.com
50 California Street, 22nd Floor
San Francisco, California 94111
Telephone: (415) 875-6600
Facsimile: (415) 875-6700

Corey Worcester (Admitted *pro hac vice*)
coreyworcester@quinnemanuel.com
Stefan Berthelsen (Admitted *pro hac vice*)
stefanberthelsen@quinnemanuel.com
295 Fifth Avenue, 9th Floor
New York, New York 10016
Telephone: (212) 849-7000
Facsimile: (212) 849 -7100

Attorneys for Plaintiff Reddit, Inc.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

REDDIT, INC.,	Case No. 3:25-cv-5643-SI
Plaintiff,	**PLAINTIFF'S NOTICE OF MOTION AND MOTION TO REMAND IMPROPERLY REMOVED ACTION TO STATE COURT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**
v.	
ANTHROPIC PBC,	
Defendant.	Hearing: October 10, 2025 Time: 10:00 a.m. Place: Courtroom 1, 17th Floor Judge: Hon. Susan Y. Illston

1   **NOTICE OF MOTION AND MOTION**

2   **TO THE COURT, THE PARTIES, AND ALL COUNSEL OF RECORD:**

3   **PLEASE TAKE NOTICE THAT**, on October 10, 2025 at 10:00 a.m., or as soon thereafter

4   as the matter may be heard by the Court, before the Honorable Susan Y. Illston, United States

5   District Judge, at the United States Courthouse, 450 Golden Gate Avenue, San Francisco, California

6   94102, Courtroom 1, Plaintiff Reddit, Inc. by and through its attorneys of record, will and do hereby

7   move, pursuant to 28 U.S.C. sections 1331, 1332, and 1447(c), to remand this action to the San

8   Francisco County Superior Court and award Reddit costs and fees, in an amount subject to proof.

9   This motion is based on this Notice of Motion and Motion, the accompanying Memorandum

10   of Points and Authorities, all pleadings and papers on file with the Court, any oral argument of

11   counsel at the hearing, and any additional matters submitted at the hearing.

12

13   DATED: August 29, 2025   QUINN EMANUEL URQUHART
                                        & SULLIVAN, LLP
14

15

16   By   _/s/ Corey Worcester_
                                            Corey Worcester
17   Attorney for Plaintiff Reddit, Inc.

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MOTION TO REMAND

I.   PRELIMINARY STATEMENT

Federal district courts are courts of limited jurisdiction with the power to hear cases solely as authorized by the Constitution and federal statutes. Plaintiff Reddit, Inc. ("Reddit"), a California corporate resident, originally—and properly—filed its Complaint against another California corporate resident, Defendant Anthropic PBC ("Anthropic"), in San Francisco Superior Court alleging solely state-law causes of action. Because neither diversity nor federal question jurisdiction exists, Reddit had no basis to file its Complaint in federal court and the Court has no subject matter jurisdiction to consider it. Nonetheless, Anthropic filed its removal petition, effectively hijacking Reddit's Complaint and landing it, without a Constitutional basis or Congressional authority, in this Court.

Anthropic attempts to manufacture a basis for federal jurisdiction by first re-writing Reddit's state law causes of action to allege a claim that mirrors a federally preempted claim for Copyright infringement and then misconstruing controlling law regarding when federal preemption serves a basis for removal jurisdiction (as opposed to merely an affirmative defense). Simply put, Anthropic falls far short of overcoming the "strong presumption" against removal. Indeed, the Ninth Circuit has instructed District Courts to reject federal jurisdiction where ***any doubt*** exists as to the right of removal in the first instance. Thus, to the extent any ambiguity as to federal subject matter jurisdiction exists, the Court must resolve it in favor of remand to state court.

 As Reddit's Complaint makes clear, this dispute is, undoubtedly, a matter of contract and tort, not copyright. Even if Anthropic pleads preemption as an affirmative defense, Anthropic has not met, nor can it meet, its burden of demonstrating that this is one of the "rare" and "extraordinary" cases in which ***complete preemption***—a basis for removal jurisdiction—applies. Anthropic's removal petition fails to dispel *all doubt* that each of Reddit's causes of action does not contain an extra *prima facie* element or asserts qualitatively different rights than those exclusively protected by the Copyright Act. Nor can Anthropic show it has an unambiguous right to a federal forum. Because any ambiguity that might exist must be resolved in favor of remand, Anthropic's failure to satisfy its heavy burden of proof is dispositive.

Instead, the removal petition touts Anthropic's self-proclaimed innovative, artificial intelligence ("AI") product offerings in an attempt to obfuscate not only its purposeful disregard of the contractual covenants Anthropic accepted restricting its bots from scraping Reddit's website repeatedly and indiscriminately, but also the torts it has committed by interfering with Reddit's contractual covenants with Reddit users regarding protection of certain privacy interests. But no AI "exception" to the Court's jurisdictional limits exists, and the Court should disregard Anthropic's attempt to raise a "fair use" defense to a hypothetical claim that Reddit never alleged.

Just as whether Anthropic can steal books from a bookstore is a distinct question from whether it may use books it has lawfully acquired to train its AI models, whether Anthropic can ignore the contractual and common law privacy and other protections applicable to Reddit and its users is distinct from whether Anthropic may use content otherwise lawfully acquired to train its AI models. Because each of Reddit's state-law causes of action requires proof of different *prima facie* elements and implicates qualitatively different substantive rights, the federal Copyright Act does not completely preempt Reddit's Complaint. Accordingly, the Court should grant Reddit's motion and remand the case to California state court where it belongs.

II.   BACKGROUND[1]

A.   Parties[2]

Founded in 2005, Plaintiff Reddit, Inc. is one of the largest online discussion platforms in the world, connecting over 100 million daily active unique users across hundreds of thousands of

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[1]   Given Anthropic did not include new factual context beyond the facts already included in Reddit's Complaint and the attachments thereto, this background section is taken from Reddit's complaint because on a motion to remand arguing "state law claim[s]" are not "completely preempted for purposes of removal jurisdiction, the court may only look to the factual allegations in the complaint and the information included in the notice of removal." *Mattel, Inc. v. Bryant*, 441 F. Supp. 2d 1081, 1092 (C.D. Cal. 2005) ("The court cannot consider post-removal evidence"—for example, the "court cannot consider evidence in [a potential] motion to dismiss or opposition to motion to remand") (citing *Chesler/Perlmutter Prods., Inc. v. Fireworks Entm't Inc.*, 177 F. Supp. 2d 1050, 1054-55 (C.D. Cal. 2001), aff'd, 446 F.3d 1011 (9th Cir. 2006)).

[2]   Reddit is incorporated under the laws of the state of Delaware with a principal place of business in San Francisco, California. Defendant Anthropic is a public benefit corporation incorporated in Delaware with a principal place of business in San Francisco, California.

1   "subreddits," or communities of individuals with shared interests. ECF No. 1-1 at ¶ 3 (Plaintiff's

2   state court Complaint).   Unlike platforms dominated by influencers or curated content, Reddit

3   thrives on genuine discussion, with users engaging pseudonymously in conversations ranging from

4   technical problem-solving to deeply personal support groups. *See id.* at ¶¶ 18-20. This unique

5   structure—where content is community-moderated and quality is determined by user up- and down-

6   voting rather than attention-hogging algorithms—has created an unparalleled repository of natural

7   human language that reflects how people actually communicate, debate, and share knowledge. *See*

8   *id.* at ¶¶ 3-5, 19. In this way, Reddit has become the steward of one of the largest datasets of natural

9   human language discussion in existence. *Id.* at ¶ 3.

10   To protect its users, their privacy, and the platform it has created, Reddit has a robust User

11 Agreement and Privacy Policy that govern the conduct of all visitors, human and "bot" alike. *See*

12 *id.* at ¶¶ 26-38. Among other terms, those rules prohibit anyone, absent agreement from Reddit,

13 from "commercially exploit[ing]" Reddit services or content or scraping without "without Reddit's

14 prior written consent." *Id.* at ¶¶ 27-30. Reddit's Privacy Policy, which is incorporated by reference

15 into the User Agreement, provides certain promises and protections to Reddit users. *See id.* at ¶¶

16 31-34. And to further protect its users' privacy, Reddit requires all its commercial partners to enter

17 into licensing agreements with "contractual restrictions on prohibited use of public content",

18 including, among other restrictions, requirements that "data licensees honor public content deletions

19 by Redditors and Reddit." *Id.* at ¶ 36. Reddit also requires its licensees to utilize a Compliance API

20 which ensures those partners comply with Reddit users' privacy rights, including their deletion

21 requests. *Id.* at ¶ 37. For example, if a Reddit user deletes a post or comment, the Compliance API

22 automatically pushes a notification to Reddit's licensees, thus prompting those licensees to delete

23 that content, thereby respecting the Reddit user's wishes. *Id.*

24   Defendant Anthropic emerged in 2021 as a late-blooming artificial intelligence ("AI")

25 company, presenting itself to the world as a savior of the artificial intelligence industry. *Id.* at ¶ 1.

26

27 _____

28 Accordingly, Anthropic cannot remove this matter on the basis of diversity jurisdiction. 28 U.S.C.
    § 1332.

It claims to be different from other technology companies, incorporating as a public benefit corporation ostensibly to balance financial interests with the long-term benefit of humanity. *Id.* Anthropic tells the public it does not intend to train its models on personal data, that it honors industry standard directives like robots.txt files (that direct bots what websites or parts of websites they are prohibited from accessing), and that it has programmed its AI product, "Claude," to "choose the response that is most respectful of everyone's privacy." *See id.* These representations form the foundation of Anthropic's public image and have helped it attract billions of users and billions of dollars in investment while positioning itself as the responsible alternative in the AI revolution. *See id.* at ¶¶ 2, 23, 50-54.

But Anthropic's actions, especially with respect to Reddit, tell a different story. Behind its carefully cultivated public image lies a company that has trespassed onto Reddit's property and systematically scraped and commercialized Reddit content without authorization, in direct violation of Reddit's User Agreement, without regard for the privacy rights of millions of Reddit users, and interfering with Reddit's obligations to those users. *See id.* at ¶¶46-49, 55-63.

B.   Anthropic's Unlawful Acts

As far back as December 2021, Anthropic—without authorization and in direct violation of Reddit's User Agreement—began training its future AI chatbot, *Claude*, on Reddit users' posts. *Id.* at ¶ 7. As more than thirty Anthropic engineers, researchers, and founders (including Anthropic CEO Dario Amodei) explained in 2021 (the year of Anthropic's founding): "Training [AI models] on large public preference modeling data sourced from e.g. . . . Reddit comments . . . significantly improves sample efficiency when subsequently finetuning on small preference modeling datasets." *Id.* (citing *A General Language Assistant As A Laboratory For Alignment*, https://arxiv.org/pdf/2112.00861 (Dec. 9, 2021)). In fact, Anthropic specifically included Reddit datasets as one of the "good' samples" for "finetun[ing]" AI LLMs, specifically calling out a host of over fifty prominent subreddits—for example, "[r/]changemyview" and "[r/]todayilearned"]—as "hav[ing] the highest quality data." *Id.* ¶¶ 7, 47. The Anthropic researchers further explained Reddit's signature user upvoting system is what makes Reddit content ideal for training AI. *See A General Language Assistant As A Laboratory For Alignment*, at 35 (explaining "a sequence [of

comments] whose final comment has the higher number of user upvotes" was labeled as the "'better' sequence" for preference model training and that Anthropic researchers "prepared 1.1M and 11k test pairs" using Reddit data for this paper specifically). To be sure, this research was not all academic: Anthropic's for-profit offering, *Claude,* itself confirms that it was trained on Reddit data. *Id.* at ¶ 8.

In July 2024, in response to Reddit's CEO's statements that Anthropic has been unlawfully exploiting Reddit content, an Anthropic spokesperson claimed: "Reddit has been on our block list for web crawling since mid-May, and we haven't added any URLs from Reddit to our crawler since then." *Id.* at ¶ 9. That statement both admitted Anthropic's prior wrongdoing and was demonstrably false about its then current activities. Indeed, Reddit's audit logs show that Anthropic continued to deploy its automated bots to access Reddit content more than one hundred thousand times in the subsequent months. *Id.*

The nature and impact of Anthropic's unauthorized scraping extends beyond simple trespass. Reddit employs content delivery networks (CDNs) to ensure fast, reliable access for legitimate users worldwide. *Id.* at ¶ 44. Reddit pays for these services based on the volume of content delivered, meaning every unauthorized bot request directly increases Reddit's operational costs. *Id.* at ¶¶ 44-45. More critically, large-scale scraping can degrade service quality for Reddit's millions of human users, as server resources are diverted to satisfy bot requests rather than serving the communities that comprise Reddit and make its platform both innovative and valuable. *See id.* at ¶ 79.

While Anthropic markets itself as respectful of boundaries and user privacy, it has refused to enter into the same licensing agreements that its competitors like Google and OpenAI have signed with Reddit. *See id.* at ¶ 10. As noted above, these agreements are not mere formalities; they contain crucial guardrails that protect Reddit users' fundamental privacy rights, including mechanisms to ensure that when users delete their posts, that Reddit content is actually removed from AI training sets. *See id.* When asked directly whether it can delete Reddit content that users have chosen to remove, Anthropic's AI chatbot, *Claude*, itself admits: "I don't actually have a way to know with certainty whether specific data in my training set was originally from deleted or non-deleted sources." *Id.* at ¶ 56. This means that deeply personal content—perhaps posted during a moment

1 of vulnerability and later deleted by the user—may remain permanently embedded in Anthropic's

2 servers and models, accessible to tens of millions of *Claude* users worldwide. *See id.* at ¶ 57.

3 Anthropic's refusal to enter into a licensing agreement or abide by Reddit's Compliance API is

4 interfering with Reddit's ability to fulfill its contractual obligations with its users, and, more

5 specifically, Reddit's obligations regarding privacy and user data control. *See id.* at ¶¶ 83-91.

6   By trespassing on Reddit's platform and refusing to abide by Reddit's User Agreement and

7 Privacy Policies, or enter into lawful licensing agreement with proper guardrails, Anthropic has built

8 a multi-billion dollar empire. Reddit filed this action not just to protect its own interests and that of

9 its users, but to establish that even in the age of AI, there must be rules, boundaries, and respect for

10 the human communities that make the internet a safe forum for the exchange of ideas.

11   **C.   Reddit Sues Anthropic Alleging Only State Law Claims**

12   On January 25, 2019, Reddit sued Anthropic in San Francisco Superior Court, asserting only

13 state common and statutory law claims and remedies (breach of contract, unjust enrichment, trespass

14 to chattels, tortious interference with contract, and unfair competition). ECF No. 1-1.

15   Reddit's First Cause of Action asserts a breach of contract claim related to Reddit's User

16 Agreement. *Id.* at ¶¶ 64-71. Anthropic accepted the terms of Reddit's User Agreement and

17 incorporated Privacy Policy each time it or its agents, including its AI bot, *Claude*, accessed or

18 logged on to Reddit's platform, creating a binding contract. *Id.* at ¶ 67. Anthropic violated the

19 terms of Reddit's User Agreement, including Sections 3 and 7, each time it scraped Reddit content

20 and commercially exploited that content without Reddit's authorization. *Id.* at ¶¶ 69-70. As a direct

21 and proximate result of these breaches, Reddit has suffered damage, including, but not limited to,

22 loss of licensing revenue, increased server costs from bot traffic, and diminished ability to protect

23 its users' privacy rights. *See id.* at ¶ 71.

24   Reddit's Second Cause of Action, pled in the alternative to its contractual breach claim,

25 asserts a California common law claim for unjust enrichment. *Id.* at ¶¶ 72-74. Anthropic was aware

26 that it could enter into a licensing agreement that would both compensate Reddit for its hosting,

27 maintenance, and improvement of the platform from which Anthropic scraped content to train its

28 AI and provide important privacy guardrails and a Compliance API to ensure Anthropic was

respecting Reddit users' privacy rights. *See id.* But Anthropic opted, instead, to intentionally violate Reddit's User Agreement and Privacy Policy to gain a competitive edge by obtaining, without restriction or paying a dime, the same Reddit content Anthropic's competitors have licensed with guardrails for a fee. Despite its contractual promise not to commercially exploit the use of Reddit's platform, Anthropic's freeriding has unjustly enriched the company to the tune of billions of dollars. *See id.* at ¶ 73.

Reddit's Third Cause of Action asserts a California common law claim for trespass to chattels. *Id.* at ¶¶ 75-82. The Reddit platform and all underlying technological infrastructure, including its software and servers, are the personal property of Reddit, and Anthropic knowingly exceeded the permission granted by Reddit to access Reddit's personal property. *Id.* at ¶¶ 76-78. These acts diminished Reddit's server capacity and functions, depriving it of the ability to use its personal property, and if continued or replicated unchecked, will cause additional damage to Reddit by impairing the condition, quality, and value of Reddit's servers, technology infrastructure, services, and reputation. *Id.* at 79.

Reddit's Fourth Cause of Action asserts Anthropic tortiously interfered with Reddit's User Agreement between Reddit and its users. *Id.* at ¶¶ 83-91. Reddit undoubtedly maintains a valid and enforceable agreement with its users in which Reddit has taken on obligations to its users, including but not limited to, protecting their privacy in accordance with Reddit's Privacy Policy, providing users meaningful control over their content and data, and ensuring that when Reddit licenses content to third parties, it imposes meaningful guardrails to protect users' rights and preferences. *Id.* at ¶ 85. Anthropic had actual knowledge of these contractual relationships and obligations and intentionally interfered with these relationships by (1) refusing to enter into a licensing agreement with the necessary guardrails to protect users' privacy rights, (2) bypassing Reddit's Compliance API, (3) training its AI models on user content without any mechanism to respect Reddit user deletion requests; and (4) continuing to scrape Reddit content after being Reddit confirmed with Anthropic that such conduct violated the User Agreement and was otherwise unlawful. *Id.* at ¶ 87. Anthropic's purposeful conduct has interfered with Reddit's ability to fulfill its contractual obligations to its users, and, as a result, Reddit has suffered damages. *Id.* at ¶¶ 89-91.

1   Reddit's Fifth Cause of Action asserts a claim for unfair competition under California

2 Business & Professions Section 17200. *Id.* at ¶¶ 92-96. Anthropic has engaged in unlawful and

3 unfair business acts by, among other things, trespassing on Reddit's platform and taking possession

4 of Reddit content and data without authority or permission, and interfering with Reddit's contractual

5 relationships with Reddit's users. Anthropic has also engaged in fraudulent business practices by

6 falsely stating that it was no longer scraping the Reddit platform, even as Anthropic continued to

7 scrape to acquire and use Reddit content to train its AI models for commercial gain. *Id.* at ¶ 93. As

8 a result of Anthropic's unfair and anti-competitive conduct, Anthropic deprived Reddit of licensing

9 opportunities. Additionally, Reddit, as a direct consequence, lost money and resources and suffered

10 diminished server capacity and functioning. *Id.* at ¶¶ 94-95.

11   On July 3, 2025, Anthropic filed a notice of removal in this Court asserting federal question

12 jurisdiction under a theory that four of the Complaint's five causes of action "arise[] under and [are]

13 completely preempted by the Copyright Act." ECF No. 1 ¶ 29. The same day, the parties filed a

14 joint stipulation to stay the federal court action matter pending mediation. ECF No. 3. On July 7,

15 2025, the Court granted the joint stipulation and stayed this matter, in its entirety, through and

16 including August 15, 2025. ECF No. 10. The parties mediated on August 1, 2025, but were unable

17 to reach a resolution. On August 13, 2025, the parties filed a joint status report and proposed a

18 briefing schedule for this motion, which the Court approved. ECF Nos. 13, 14.

19 **III.   LEGAL STANDARD**

20   **A.   Anthropic Bears The Burden Of Rebutting A Strong Presumption Against**

21   **Removal**

22   "'[F]ederal courts are courts of limited jurisdiction' possessing 'only that power authorized

23 by the Constitution and statute.'" *Gunn v. Minton*, 568 U.S. 251, 256 (2013) (quoting *Kokkenen v.*

24 *Guardian Life Ins. Co.*, 511 U.S. 375, 377 (1994)). Accordingly, there is a "'strong presumption'

25 against removal jurisdiction" and "the defendant always has the burden of establishing that removal

26 is proper." *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992); *see also Hunter v. Philip Morris*

27 *USA*, 582 F.3d 1039, 1042 (9th Cir. 2009) (noting "the party asserting jurisdiction" bears "the

28

1   burden of establishing" a plaintiff's causes of action is within "the limited jurisdiction of the federal

2   courts").

3   The Ninth Circuit has long recognized the strong presumption against removal, noting that

4   "federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first

5   instance." *Gaus.*, 980 F.2d at 566 (emphasis added). In other words, "the court resolves all

6   ambiguity in favor of remand to state court." *Hunter*, 582 F.3d at 1042 ; *see also Nevada v. Bank

7   of America Corp.*, 672 F.3d 661, 667 (9th Cir. 2012) (quoting *Syngenta Crop Prot., Inc., v. Henson*,

8   537 U.S. 28, 32 (2002).

9   **B.   Complete Preemption Is A Jurisdictional Basis For Removal, Ordinary**

10   **Preemption Is A Substantive Affirmative Defense**

11   Removal is generally governed by the "well-pleaded complaint" rule, under which "federal

12 jurisdiction exists only when a federal question is presented on the face of plaintiff's properly

13 pleaded complaint." *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987). A core principle

14 underlying the well-pleaded complaint rule is that the plaintiff, as master of the complaint, may

15 ordinarily defeat removal by choosing not to plead federal claims. *See Karambelas v. Hughes

16 Aircraft Co*., 992 F.2d 971, 973 (9th Cir. 1993) (noting a "defendant cannot, merely by injecting a

17 federal question into an action that asserts what is plainly a state-law claim, transform the action

18 into one arising under federal law, thereby selecting the forum in which the claim shall be litigated."

19 (quoting *id.* at 398-99)). "If a defendant could [inject a federal claim that asserts a state-law claim],

20 the plaintiff would be master of nothing. Congress has long since decided that federal defenses do

21 not provide a basis for removal." *Caterpillar*, 482 U.S. at 399.

22   However, in limited circumstances a plaintiff's state causes of action may be deemed to arise

23 under federal law where federal law completely preempts state law. *See Metropolitan Life Ins. Co.

24 v. Taylor*, 481 U.S. 58, 63-64 (1987) (noting complete preemption is an "extraordinary pre-emptive

25 power"); *Franchise Tax Bd. of State of Cal. v. Constr. Laborers Vacation Tr. for S. California*, 463

26 U.S. 1, 21-26 (1983) (finding claims related to ERISA plans not preempted). Generally, "a federal

27 statute wholly displaces the state-law cause of action through complete preemption" when Congress

28 expresses its intent to do so by creating "[a] exclusive cause of action for [a] claim asserted and also

1   set[ting] forth procedures and remedies governing that cause of action." *Beneficial Nat. Bank v.*

2   *Anderson*, 539 U.S. 1, 8 (2003) (finding National Bank Act may have complete preemptive force

3   based on Congressional creation of an exclusive cause of action with attendant procedures and

4   remedies).

5   Complete preemption is distinct from what courts generally refer to as "ordinary" and/or

6   "defensive" preemption. Defensive preemption arises when a party raises an affirmative defense

7   based on federal preemption. *Hall v. N. Am. Van Lines, Inc.*, 476 F.3d 683, 689 n.8 (9th Cir. 2007);

8   *see also Berg v. Leason*, 32 F.3d 422, 426 (9th Cir. 1994) (noting the general rule is that "neither an

9   affirmative defense based on federal law, nor one based on federal preemption, renders an action

10   brought in state court removable."). Ordinary "defensive preemption (a substantive issue) does not

11   enable removal."[3] *See Hall*, 476 F.3d at 689 n.8. Conflict preemption falls into the category of

12   ordinary preemption and "does not give rise to complete preemption in any circumstance." *ARCO*

13   *Env't Remediation, L.L.C. v. Dep't of Health & Env't Quality of Montana*, 213 F.3d 1108, 1114 (9th

14   Cir. 2000)

15   In contrast to defensive preemption, "[c]omplete preemption (a jurisdictional issue) converts

16   a well-pleaded state law claim into an inherently federal claim for jurisdictional purposes," allowing

17   for removal. *See Hall*, 476 F.3d at 689 n.8. "Complete preemption," however, "is rare."[4] *ARCO*,

18

19

20   [3] There are three forms of ordinary defensive preemption: 1) express statutory preemption,
2) conflict preemption, and 3) field preemption. *Close v. Sotheby's, Inc.*, 894 F.3d 1061, 1068 (9th

21   Cir. 2018) (citing *Arizona v. United States*, 567 U.S. 387, 398–400 (2012)). Of these three types of
ordinary defensive preemption, only express preemption can possibly give rise to complete

22   preemption under the Copyright Act because, first, there is no field preemption under the Copyright
Act, *Foad Consulting Grp., Inc. v. Azzalino*, 270 F.3d 821, 827 (9th Cir. 2001) ("In enacting the

23   Copyright Act, Congress did not preempt the field."), and second, conflict preemption does not give
rise to complete preemption in any circumstance, *ARCO Env't Remediation, L.L.C. v. Dep't of*

24   *Health & Env't Quality of Montana*, 213 F.3d 1108, 1114 (9th Cir. 2000) ("[u]nlike complete
preemption, preemption that stems from a conflict between federal and state law is a defense to a

25   state law cause of action and, therefore, does not confer federal jurisdiction over the case.").

26
       [4] The Supreme Court "has identified only three federal statutes that [are completely

27   preemptive due to creation of an exclusive right and attendant procedure and remedies]: (1) Section
301 of the Labor–Management Relations Act, 29 U.S.C. § 185; (2) Section 502 of the Employee

28   Retirement Income Security Act [("ERISA")] of 1974, 29 U.S.C. § 1132; and (3) the usury

213 F.3d at 1115 (declining to exercise complete preemption jurisdiction even while noting that, "[a]t best, [the statute at issue there] may provide a conflict preemption defense to [the plaintiff's] state law claims"). Indeed, complete preemption is rare in comparison to ordinary preemption, and "[m]any federal statutes—far more than support complete preemption—will support" ordinary preemption. *Retail Prop. Trust v. United Bhd. of Carpenters & Joiners of Am.,* 768 F.3d 938, 948 (9th Cir. 2014) (citation omitted); *Hunter*, 582 F.3d at 1042 ("It is 'settled law that a case may not be removed to federal court on the basis of a federal defense, including the defense of preemption, even if the defense is anticipated in the plaintiff's complaint, and even if both parties admit that the defense is the only question truly at issue in the case'").

C.   Complete Preemption Based On The Copyright Act

Although "[t]he Ninth Circuit has not addressed whether the Copyright Act effects complete preemption," district courts in the Ninth Circuit "[w]hile recognizing that complete and defensive preemption are distinct doctrines," nevertheless "have looked to the two-part test applied by the Ninth Circuit for defensive [express] preemption of copyright claims for guidance as to whether a particular claim is completely preempted for jurisdictional purposes." *Coyle v. O'Rourke*, 2015 WL 58700, at *6-7 (C.D. Cal. Jan. 5, 2015) (collecting cases applying express preemption test for purposes of complete preemption jurisdiction). This complete preemption test asks "whether (1) the work at issue falls within the scope of copyright subject matter, and (2) the law at issue grants rights equivalent to any of the exclusive rights within the scope of copyright." *Ryan v. Editions Ltd. W., Inc.*, 786 F.3d 754, 760 (9th Cir. 2015); *Maloney v. T3Media, Inc.*, 853 F.3d 1004, 1010 (9th Cir. 2017).

In short, "[t]o survive [express] preemption, the state cause of action must protect rights that are qualitatively different from the rights protected by copyright: the complaint must allege an 'extra element' that changes the nature of the action." *Grosso v. Miramax Film Corp.*, 383 F.3d 965, 968 (9th Cir. 2004). This "extra element" test balances Congress's dual mandate in the Copyright Act

provisions of the National Bank Act, 12 U.S.C. §§ 85, 86." *Ansley v. Ameriquest Mortgage Co.,* 340 F.3d 858, 862 (9th Cir. 2003) (citing *Anderson,* 539 U.S. 1).

that, on one hand, "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by [17 U.S.C. § 106] are governed exclusively by" the Copyright Act. *Sybersound Recs., Inc. v. UAV Corp.*, 517 F.3d 1137, 1150 (9th Cir. 2008) (quoting 17 U.S.C. § 301(a)). On the other hand, "Copyright law does not preempt state laws with respect to 'activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by [17 U.S.C. § 106].'" *Id.* (quoting 17 U.S.C. § 301(b)(3)).

IV.   ARGUMENT

Anthropic attempts to invoke a disfavored jurisdictional remedy: removal based on the complete preemption doctrine. But complete preemption applies only if "a federal statute wholly displaces the state cause[s] of action." *Anderson*, 539 U.S. at 8. Anthropic's complete preemption argument fails here, because it falls woefully short of overcoming the heightened burden against removal jurisdiction. Indeed, Anthropic fails to dispel any doubt that each of Reddit's claims— whether breach of contract or, in the alternative, unjust enrichment, trespass to chattels,[5] tortious interference with contract, and unfair competition under Cal. Bus. & Prof. Code Section 17200— either contains "an additional element not required for a copyright claim" or asserts qualitatively different rights. *Ryan*, 786 F.3d at 760. Anthropic, thus, cannot meet its burden to show this case is one of those "extraordinary situations" where complete preemption applies. *Coyle*, 2015 WL 58700, at *6 (C.D. Cal. Jan. 5, 2015) (remanding state claims back to state court after defendants failed to meet their burden to show "that the subject matter asserted by the Complaint is 'necessarily' equivalent to that protected by federal copyright law").[6]

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[5]   Anthropic acknowledges Reddit's trespass to chattels claim is not subject to copyright preemption, complete or otherwise. *See* ECF No. 1 ¶ 5.

[6]   Even if the Court were to find some of Reddit's claims completely preempted, however, the Court should decline to exercise supplemental jurisdiction over the remaining claims.

1   **A.   Reddit's Claims Contain Extra Elements And Are Not Equivalent To**

2   **Copyrights**

3   **1.   Reddit's Breach Of Contract Claim Is Not Completely Preempted**

4   The essence of Reddit's breach of contract claim is that Anthropic breached provisions of

5   the User Agreement restricting commercial exploitation of use and access to the Reddit platform,

6   including through unauthorized scraping of Reddit content. The Ninth Circuit has "long recognized

7   that a contractually-based claim generally possesses the extra element necessary to remove it from

8   the ambit of the Copyright Act's express preemption provision." *Ryan*, 786 F.3d at 761; *see also*

9   Nimmer on Copyright § 1.15 (2022) (noting that so long as "a breach-of-contract cause of action

10   alleges more than simply reproduction (or adaptation, distribution, etc.) of a copyrighted work" it

11   should survive preemption). Indeed, nearly every federal court of appeals with a published opinion

12   on the subject has agreed that the Copyright Act does not preempt a contract claim because of the

13   extra elements of contract formation and the making of a legally binding promise. *See, e.g.*, *Utopia*

14   *Provider Sys., Inc. v. Pro-Med Clinical Sys., LLC*, 596 F.3d 1313, 1326-27 (11th Cir. 2010); *Bowers*

15   *v. Baystate Techs., Inc.*, 320 F.3d 1317, 1324-25 (Fed. Cir. 2003) (collecting cases and noting that

16   "most courts to examine this issue have found that the Copyright Act does not preempt contractual

17   constraints on copyrighted articles"); *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1454-55 (7th Cir.

18   1996) ("Terms and conditions offered by contract reflect private ordering, essential to the efficient

19   functioning of markets. Although some principles that carry the name of contract law are designed

20   to defeat rather than implement consensual transactions, the rules that respect private choice are not

21   preempted by [a statutory provision similar to the Copyright Act's § 301(a), but] "[j]ust as §

22   301(a) does not itself interfere with private transactions in intellectual property, so it does not

23   prevent states from respecting those transactions."); *Nat'l Car Rental Sys., Inc. v. Computer Assocs.*

24   *Int'l, Inc.*, 991 F.2d 426, 431 (8th Cir. 1993) ("We conclude that the alleged contractual restriction

25   on National's use of the licensed programs constitutes an extra element in addition to the copyright

26   rights making this cause of action qualitatively different from an action for copyright."); *Taquino v.*

27   *Teledyne Monarch Rubber*, 893 F.2d 1488, 1501 (5th Cir. 1990) ("The contract properly prohibited

28   this. The right to claim this breach of contract is not preempted by the copyright laws. 17 U.S.C. §

1   301 only preempts rights equivalent to the exclusive rights within the general scope of the copyright

2   law. A right is equivalent if the mere act of reproduction, distribution, or display infringes it. 17

3   U.S.C. § 106. This action for breach of contract involves an element in addition to mere

4   reproduction, distribution or display").[7]

5   Here, Reddit requires all parties seeking to access and to use content hosted on Reddit's

6   platform to accept the terms mandated by Reddit's User Agreement. The User Agreement includes

7   terms and conditions—that constitute extra elements even beyond those of contract formation—and

8   that have nothing to do with rights similar to those protected by copyrights. ECF No. 1-1, Compl.

9   ¶¶ 26-38, 64-71. Reddit's User Agreement governs the overall access and use of Reddit's platform;

10   the fact that some of those terms include prohibitions on commercial exploitation and automated

11   scraping, among many others, is incidental and does not change the preemption calculus. *See* User

12   Agreement, §§ 1, 3, 7; *see, e.g.*, *Cvent, Inc. v. Eventbrite, Inc.*, 739 F. Supp. 2d 927, 936 (E.D. Va.

13   2010) ("A breach of contract claim premised upon [a prohibition against scraping in] the Terms of

14   Use on Cvent's website is qualitatively different from a claim for copyright infringement under the

15   Copyright Act and therefore is not preempted."); *see also Craigslist, Inc. v. Autoposterpro, Inc.*,

16   2009 WL 890896, at *2 (N.D. Cal. Mar. 27, 2009) (finding no defensive preemption where "[t]he

17   TOUs contain extra obligations beyond those imposed by the Copyright Act," such as terms stating

18   that users "are not to . . . use automated posting devices").

19   Indeed, as the Court recently found in the UCL context, "allegations about [a] bot scheme

20   and the allegations that [a defendant] scrapes content from competitor websites in violation of those

21   competitors' terms of use [are] not preempted because those allegations do not assert rights

22   equivalent to an action for copyright infringement." *Yu v. ByteDance Inc.*, 2023 WL 5671932, at

23   *5–6 (N.D. Cal. Sept. 1, 2023) (Illston, J.); *see also MDY Indus., LLC v. Blizzard Entm't, Inc.*, 629

24   F.3d 928, 957 (9th Cir. 2010) (finding "anti-bot" provisions of video game website's terms of use,

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26   [7] Even the Sixth Circuit, which holds that a breach-of-contract claim is generally preempted
27   if the only enforceable obligation imposed is to not copy material, makes an exception if the contract
     imposes some additional element that makes the contract claim qualitatively different from a
28   copyright claim. *Wrench LLC v. Taco Bell Corp*., 256 F.3d 446, 459 (6th Cir. 2001).

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1   which prohibited use of automated robots to play the video game, were not preempted and noting

2   "because contractual rights are not equivalent to the exclusive rights of copyright, the Copyright

3   Act's preemption clause usually does not affect private contracts."). Similarly, the core of Reddit's

4   contract claim is that Anthropic's commercial exploitation of Reddit's platform through improper

5   use and scraping violates the Reddit User Agreement.

6   In *Craigslist Inc. v. 3Taps., Inc.*, the Northern District of California found no preemption

7   because, unlike the "bare substitute for copyright protection" in *Kabehie v. Zoland*, 102 Cal. App.

8   4th 513, 526 (2002), the plaintiff alleged breach of terms "governing access to and permissible uses

9   of [plaintiff's] website." *Craigslist v. 3Taps,*942 F. Supp. 2d 962, 976-77 (N.D. Cal. 2013).

10   Similarly, here, as in *Craigslist*, Reddit alleges that Anthropic breached the User Agreement

11   governing access and use of the Reddit platform in a "manner that could interfere with, disable,

12   disrupt, overburden, or otherwise impair" Reddit's services, including by "access[ing],"

13   "collect[ing] data from [Reddit]" by "automated" means such as "crawl[ing]" the site not in accord

14   with Reddit's robots.txt file and otherwise "scraping" Reddit content without "permission" or "prior

15   written consent"—all for Anthropic's commercial gain. *See* User Agreement, §§ 1, 3, 7; Compl. ¶¶

16   64-71. Reddit's assertions of its collective contractual terms in the User Agreement are thus more

17   than enough to constitute an "extra element" beyond those required to assert a copyright claim and

18   are likewise not equivalent to rights exclusively granted under 17 U.S.C. Section 106 of the

19   Copyright Act. *See Meridian Project Sys., Inc. v. Hardin Const. Co., LLC*, 426 F. Supp. 2d 1101,

20   1108 (E.D. Cal. 2006) (finding contract claims contain "the extra element" of "mutual assent and

21   consideration" and so "the enforcement of the shrinkwrap license involved in that case did not

22   interfere with the attainment of national objectives within the domain of § 301(a)" (citations and

23   quotations omitted)).

24   Moreover, copyrights are exclusive "right[s] against the world," which Reddit is not

25   asserting here. *MDY Indus.*, 629 F.3d at 957 (noting contractual rights "generally affect only [a

26   contract's] parties; strangers may do as they please, so contracts do not create 'exclusive rights'" in

27   contrast to copyrights); *Ryan*, 786 F.3d at 761-62. Instead, in this suit, Reddit seeks only to enforce

28   its contract with Anthropic, not assert an entitlement to "restrict the options of [strangers]." *MDY*

1   *Indus.*, 629 F.3d at 957. Nor does Reddit purport to restrict its users from asserting whatever

2   copyrights they may have, against Anthropic or any other party. *See Ryan*, 786 F.3d at 761-62 ("A

3   copyright is a right against the world. Contracts, by contrast, generally affect only their parties;

4   strangers may do as they please, so contracts do not create exclusive rights." (internal citation and

5   quotation omitted)). In this way, Reddit is not purporting to create or vindicate an exclusive "right

6   against the world," as with the Copyright Act. *See id.* In short, the weight of authority confirms

7   that no defensive copyright preemption exists in almost identical situations involving contractual

8   terms of use.[8]

9   **2.   Reddit's Unjust Enrichment Claim Is Not Completely Preempted**

10   Reddit's unjust enrichment claim is likewise not completely preempted by the Copyright

11 Act. At the outset, unjust enrichment claims are not categorically preempted by the Copyright Act.

12 *See, e.g.*, *Grosso v. Miramax Film Corp.*, 282 F. 3d 965, 968 (9th Cir. 2004). Where an unjust

13 enrichment claim alleges an extra element that transforms the claim from one arising under the

14 Copyright Act to one sounding in contract, it is not preempted. *See id.*; *see also NW. Home*

15 *Designing Inc. v. Sound Built Homes Inc.*, 776 F. Supp. 2d 1210, 1216 (W.D. Wash. 2011) (finding

16 unjust enrichment claims not preempted because plaintiff "alleged an extra element sounding in

17 contract: the implied promise of compensation in the form of royalty payments").

18   If an unjust enrichment claim is premised on an allegation that the defendant benefited from

19 the works by violating the parties' contract, then the unjust enrichment claim has the requisite "extra

20 element" sufficient to "transform[] the action from one arising under the ambit of the federal statute

21 to one sounding in contract." *See, e.g.*, *Grosso*, 383 F.3d at 968; *Cadkin v. Loose*, 2008 WL

22

23   _____

       [8] Anthropic relies on *X Corp. v. Bright Data Ltd.*, 733 F. Supp. 3d 832, 850-51 (N.D. Cal.
24 2024) in its notice of removal to suggest that Reddit's claims, including its contract claim, are
    preempted. But *X v. Bright Data*'s analysis was limited to ordinary affirmative defense of ***conflict***
25 preemption, *see id.* at 850-51, which cannot give rise to complete preemption and thus cannot confer
    federal jurisdiction. *ARCO*, 213 F.3d at 1114 ("[u]nlike complete preemption, preemption that stems
26 from a ***conflict*** between federal and state law is a defense to a state law cause of action and, therefore,
    does not confer federal jurisdiction over the case.") (emphasis added); *Toumajian v. Frailey*, 135
27 F.3d 648, 654-55 (9th Cir. 1998) (same). Put differently, ***conflict*** preemption does not provide a
28 basis for removal.

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1   11336390, at *3 (C.D. Cal. Apr. 24, 2008) (holding unjust enrichment claim not preempted where

2   plaintiff "alleg[ed] unjust enrichment based on [defendant's] violation of the parties' contract, not

3   based on unauthorized use of materials within the protection of the Copyright Act.").

4   This is particularly true where, as here, an unjust enrichment claim is pled in the alternative

5   to a breach of contract claim. *See* ECF. No. 2-1 at 19 ("Unjust Enrichment, pled in the alternative");

6   *New Parent World, LLC v. True To Life Prods.*, Inc., 2024 WL 1658161, at *2 (D. Ariz. Apr. 17,

7   2024) ("Courts in this Circuit have held that where the '[p]laintiff's unjust enrichment claim is truly

8   an alternative pleading to its breach of contract claim, it survives . . . preemption.'" (citing *Genasys*

9   *Inc. v. Vector Acoustics, LLC*, 2023 WL 4414222, at *22 (S.D. Cal. July 7, 2023))); *see also Perfect*

10 *10, Inc. v. Google, Inc.*, 2008 WL 4217837, at *9 (C.D. Cal. July 16, 2008) ("In alleging the basis

11 for its unjust enrichment claim, [the plaintiff] specifically avoided relying on its copyright claims.

12 To the extent its unjust enrichment theory of relief is based on nonpreempted claims[,] the unjust

13 enrichment claim is not preempted by the Copyright Act.") (cleaned up).

14   Here, Reddit's unjust enrichment claims are not premised solely on Anthropic's

15 unauthorized use, but the enrichment Anthropic gained through its blatant violations of the parties'

16 contract, including its refusal to enter into a licensing agreement or abide by a Compliance API. *See*

17 ECF 2-1 at ¶ 72 (incorporating by reference ¶¶ 7-11, 46-53, 55-57, 59, and 61-71). As such, Reddit's

18 unjust enrichment claim includes the "extra element" necessary to transform its claim from one

19 arising under the Copyright Act to one sounding in contract, thus avoiding preemption. *See New*

20 *Parent World*, 2024 WL 1658161, at *2.

21   A recent case in a district court in the Ninth Circuit, *Schrichte v. Tilleman*, 2025 WL

22 1943012, at *6 (D. Mont. June 30, 2025), is instructive. There, the plaintiff was not claiming any

23 copyright ownership rights in the data itself, rather the "gravamen of [his] unjust enrichment claim"

24 was that the defendant had been "unjustly enrich[ed] by its refusal to compensate [the plaintiff] for

25 developing and improving the defendant's software," thus transforming his claim from "from one

26 arguably arising under the Copyright Act to one sounding in contract." *Id.* Similarly, here, Reddit

27 is not claiming any copyright ownership rights to the data itself, rather it is claiming that Anthropic

28 was unjustly enriched by refusing to compensate Reddit for developing and maintaining a platform

1   that was used to train and improve Anthropic's AI chatbot. *See* ECF 2-1 at ¶ 72 (incorporating by

2   reference ¶¶ 46- 49, 62). Accordingly, like the court in *Schrichte* that found no preemption—

3   defensive or complete—this Court should reject any assertion of complete preemption as a basis for

4   removal.

5   Consistent with well-settled precedent, any doubt as to whether Reddit's unjust enrichment

6   claim alleges "extra elements" sufficient to avoid preemption, should be resolved in favor of

7   remand. *See Gaus*, 980 F.2d at 566 ("Federal jurisdiction **must** be rejected" and federal courts

8   should remand "if there is **any doubt** as to the right of removal.") (emphasis added).

9   **3.   Reddit's Tortious Interference Claim Is Not Completely Preempted**

10   Reddit's tortious interference claim is also not preempted. The Ninth Circuit's decision in

11   *Altera Corp. v. Clear Logic, Inc*., 424 F.3d 1079 (9th Cir. 2005) is dispositive. There, the Ninth

12   Circuit found that use of software "in a manner contrary to the terms of [the applicable] shrinkwrap

13   license" while making copies of certain underlying information available to a third party contrary

14   to "the terms of the agreement" was qualitatively different than a claim of reproduction or copying,

15   even if there was some incidental overlap. *Id*. at 1089 (noting "[m]ost courts have held that the

16   Copyright Act does not preempt the enforcement of contractual rights."). Indeed, the *Altera* court

17   "distinguished between use and reproduction" because "use is a qualitatively different right" and so

18   held that "a state law tort[ious interference with contract] claim concerning the unauthorized use of

19   the software's end-product is not within the rights protected by the federal Copyright Act." *Id.* at

20   1089-90.

21   Similarly, here, although Anthropic interferes with Reddit's contractual relationship with

22   Reddit's users through scraping—which scraping itself violates Anthropic's User Agreement

23   obligations governing use of the Reddit platform—the interference at issue flows from Anthropic

24   diminishing Reddit's ability to fulfill its contractual obligations to its users regarding their privacy

25   during use of Reddit's platform.   In short, Reddit's Cause of Action aims to protect Reddit's users'

26   privacy rights; such rights do not even come close to falling with the scope of the Copyright Act

27   and are nothing like (and thus not even approximately equivalent to) the rights exclusively protected

28   by the Copyright Act.

1   The Ninth Circuit confirmed this approach in *MDY Indus., LLC v. Blizzard Ent., Inc.*, 629

2   F.3d 928, 938 (9th Cir. 2010) (citing *Altera*, 424 F.3d 1079-80 favorably).   In *MDY*, the Ninth

3   Circuit made clear that the Copyright Act does not preempt a tortious interference claim premised

4   on an underlying breach of contract with restrictions on use, not simply reproduction restrictions.

5   Compl. ¶ 87.   To be sure, the intent element is not the only additional extra element in Reddit's

6   tortious interference claim.   Not only does Reddit allege Anthropic improperly scraped and copied

7   Reddit content in a way that interfered with Reddit's User Agreement with each of its users, Reddit

8   also alleges, among other things, that Anthropic's continued maintenance of the data in Anthropic's

9   servers inhibits Reddit's ability to comply with its own Privacy Policy and obligations to provide

10   its users meaningful control over their content and data. Compl. ¶ 87-91. In short, Anthropic's

11   tortious interference is qualitatively different from a copyright claim in multiple different cognizable

12   ways. Thus, it is not equivalent to the exclusive rights protected by the Copyright Act and provides

13   no basis for removal.

14   **4.   Reddit's Unfair Competition Claim Is Not Completely Preempted**

15   Reddit's UCL claim is also not preempted. "A determination of whether the Copyright Act

16   preempts a UCL claim 'requires analysis of each theory of unfair competition to determine whether

17   it contains the necessary qualitatively different extra element distinguishing it from copyright ...

18   protection.'" *Media.net Advert. FZ-LLC v. NetSeer, Inc.*, 156 F. Supp. 3d 1052, 1074 (N.D. Cal.

19   2016) (quoting *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1440 (9th Cir.

20   1993)).   Reddit has alleged UCL violations under each prong—unlawfulness, unfairness, and fraud.

21   *See* ECF No. 2-1 at ¶ 92-96.

22   By arguing that only "portions of [Reddit's] unfair competition claim under California

23   Business & Professions Code § 17200 are also premised on its allegations that Anthropic scraped

24   Reddit content without authorization," Anthropic concedes that Reddit UCL claim is not preempted

25   in its entirety. ECF No. 2 at ¶ 8. Reddit agrees—in fact, no portion of Reddit's UCL claim is

26   preempted. Each of Reddit's alleged UCL violations is based on non-preempted claims—trespass

27   to chattels, tortious interference with contractual relations, and fraud. *See e.g.*, *Perfect 10, Inc. v.*

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Google, Inc., 2008 WL 4217837, at *9 (C.D. Cal. July 16, 2008) (Unfair competition claims that invoke non-preempted claims as the underlying violations of the UCL are not preempted).

For the unlawful and unfairness prongs, Reddit alleges that "Anthropic has engaged in unlawful and unfair business acts by, among other things, trespassing on Reddit's platform and taking possession of Reddit content and data without authority or permission, and interfering with Reddit's contractual relationships with Reddit's users." ECF No. 2-1 at ¶ 93. Anthropic concedes, as it must, that a state law claim for trespass to chattels is not preempted under the Copyright Act. *See e.g.*, ECF No. 2 at ¶¶ 5, 7 (Anthropic arguing that only four out of five of Reddit's claims are subject to copyright preemption). And, as discussed in detail above, Reddit's claim for intentional interference with its contractual relations is also not preempted. *See supra* Section [X]; *Jonathan Browning, Inc. v. Venetian Casino Resort, LLC*, 2007 WL 4532214, at *10 (N.D. Cal. Dec. 19, 2007) (holding that UCL claim based on an interference with contractual relations is not preempted by the Copyright Act because "[a] claim for intentional interference with contractual relations provides the extra element that is not preempted by federal law" (citing *Summit Mach. Tool Mfg. Corp. v. Victor GNC Sys., Inc.*, 7 F.3d 1434, 1442 (9th Cir. 1993))).

For the fraud prong, Reddit alleges that "Anthropic has also engaged in fraudulent business practices by falsely stating that it was no longer scraping the Reddit platform, even as Anthropic continued to scrape to acquire and use Reddit content to train its AI models for commercial gain." ECF No. 2-1 at ¶ 93. Courts have consistently recognized that claims of fraud fall outside the ambit of the Copyright Act, because a fraud claim necessarily contains the additional element of misrepresentation. *See Valente-Kritzer Video v. Pinckney,* 881 F.2d 772, 776 (9th Cir. 1989); *Wimer v. Reach Out Worldwide, Inc.*, 2017 WL 5635461 (C.D. Cal. July 13, 2017) (rejecting preemption of UCL claim because conversion and fraud claims on which the UCL claim was based were not preempted); *Yu v. ByteDance Inc.*, 2023 WL 5671932, at *6 (N.D. Cal. Sept. 1, 2023) (finding that UCL claim was not preempted to the extent it alleged fraudulent practices because "the additional element of fraud or misrepresentation…is not part of a copyright claim.").

1   In short, because none of the underlying violations on which Reddit bases its UCL claim is

2 subject to preemption, its UCL claim, likewise, is not completely preempted and provides no basis

3 for removal.

4   **B.**   **Even If The Court Finds A Cause of Action Completely Preempted, The Court**

5   **Should Decline To Exercise Supplemental Jurisdiction Over The Remaining**

6   **Causes Of Action.**

7   Even if the Court finds one or more of Reddit's causes of action to be completely preempted

8 under the Copyright Act, the Court should decline to exercise supplemental jurisdiction under 28

9 U.S.C. Section 1367(c) over Reddit's remaining state-law causes of action. *See e.g.*, *Yu*, 2023 WL

10 5671932, at *7 (declining to exercise supplemental jurisdiction over remaining state law claims

11 where plaintiff declined to amend its complaint to assert a federal copyright claim); *Firoozye v.*

12 *Earthlink Network,* 153 F. Supp. 2d 1115 (N.D. Cal. 2001) (dismissing preempted state law claims

13 and granting the plaintiff's motion to remand).

14   Under Section 1367(c), a district court "may decline to exercise supplemental jurisdiction

15 over a claim if . . . the claim substantially predominates over the claim or claims over which the

16 district court has original jurisdiction." *Id.* As discussed above, Reddit's breach of contract claim,

17 tortious interference and trespass to chattels claims are the dominant claims in this matter, and even

18 Reddit's unjust enrichment and UCL claims sound in its claims for breach of contract, trespass, and

19 tortious interference. Thus, if the Court finds that any of these claims are not preempted, it should

20 exercise its discretion and allow those claims—albeit not any claims this Court finds preempted—

21 to return to state court.

22   As the Supreme Court recently reaffirmed in *Royal Canin U.S.A., Inc. v. Wullschleger*, 604

23 U.S. 22, 35 (2025), "the plaintiff is the master of the complaint" and "gets to determine which

24 substantive claims to bring against which defendants. And in so doing she can establish—or not—

25 the basis for a federal court's subject-matter jurisdictions . . . she may decide to plead federal-law

26 claims, or instead allege state-law claims alone and thus ensure a state forum." Reddit has pled only

27 state law claims and does not seek relief under the Copyright Act. As such, the Court should allow

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1 Reddit to seek redress for its state law causes of action in the state forum in which it filed its

2 Complaint.

3   **CONCLUSION**

4   For the foregoing reasons, Reddit respectfully requests that the Court remand its lawsuit

5 based on purely state law claims to the San Francisco Superior Court and award it costs and fees

6 pursuant to 28 U.S.C. section 1447(c), in an amount subject to proof.

7 DATED: August 29, 2025   QUINN EMANUEL URQUHART
                                              & SULLIVAN, LLP
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9
                                    By: */s/ Corey Worcester*
10   _____

                                    QUINN EMANUEL URQUHART &
11   SULLIVAN, LLP
                                    John B. Quinn (Bar No. 90378)
12   johnquinn@quinnemanuel.com
                                    865 South Figueroa Street, 10th Floor
13   Los Angeles, California 90017-2543
                                    Telephone: (213) 443-3000
14   Facsimile: (213) 443-3100

15   Morgan W. Tovey (Bar No. 136242)
                                    morgantovey@quinnemanuel.com
16   50 California Street, 22nd Floor
                                    San Francisco, California 94111
17   Telephone: (415) 875-6600
                                    Facsimile: (415) 875-6700
18
                                    Corey Worcester (Admitted *pro hac vice*)
19   coreyworcester@quinnemanuel.com
                                    Stefan Berthelsen (Admitted *pro hac vice*)
20   stefanberthelsen@quinnemanuel.com
                                    295 Fifth Avenue, 9th Floor
21   New York, New York 10016
                                    Telephone: (212) 849-7000
22   Facsimile: (212) 849 -7100

23   *Attorneys for Plaintiff Reddit, Inc.*

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25

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